



Legislative Research Council

MINUTES

Tribal Economic Development Task Force

Representative Don Haggar, Chair
Crow Creek Tribal Chair Roxanne Sazue, Vice Chair

Sixth Meeting
November 20, 2015

Room 413 – State Capitol
Pierre, South Dakota

The sixth meeting of the Tribal Economic Development Task Force was called to order by Representative Don Haggar, Chair, at 10:15 a.m. on Friday, November 20, 2015, in Room 413 in the State Capitol in Pierre, South Dakota.

A quorum was waived with the following members answering the roll call: Representative Don Haggar, Chair; Senator Jim Bradford; Representatives Elizabeth May and Mike Verchio; Former Representatives Mark DeVries and Kathy Tyler (via telephone); Mr. Steve Emery, Department of Tribal Relations Secretary; Mr. Tuffy Lunderman, Rosebud Sioux Tribe; Mr. Marc Benoist, Cheyenne River Sioux Tribe; and Mr. Gordon Jones, Flandreau Santee Sioux Tribe. Members excused: Crow Creek Chairwoman Roxanne Sazue (Vice Chair); Senators Bruce Rampelberg and Craig Tieszen; Former Senator Chuck Jones; Ms. Sarah Zephier, Yankton Sioux Tribe; Mr. Steven Sitting Bear, Standing Rock Sioux Tribe; Mr. DelRay German, Sisseton-Wahpeton Oyate; Mr. John Yellow Bird Steele, Oglala Sioux Tribe; and Lower Brule Sioux Tribe. Guest present was Ms. Janet Jessup, Department of Tribal Relations. Staff members present were Amanda Reiss, Senior Legislative Attorney, and Cindy Tryon, Senior Secretary.

All material distributed at the meeting is attached to the original minutes on file in the Legislative Research Council (LRC). This meeting was recorded by South Dakota Public Broadcasting. The committee documents and archived recording are available at the LRC website at <http://legis.sd.gov> under "Interim – Agendas, Minutes and Committee Documents." For the purpose of continuity, these minutes are not necessarily in chronological order.

An opening prayer was offered by **Mr. Tuffy Lunderman**.

Approval of Minutes

A MOTION WAS MADE BY REPRESENTATIVE VERCHIO, SECONDED BY REPRESENTATIVE MAY, THAT THE MINUTES OF THE OCTOBER 30, 2015, MEETING BE APPROVED. Motion prevailed on a voice vote.

Opening Remarks

Representative Don Haggar, Chair, said that this is the last meeting for this task force and thanked everyone for working with him to address the assigned scope, *"The task force shall evaluate issues associated with economic development needs, initiatives, and barriers affecting South Dakota's Native American population and South Dakota's Indian tribes and tribal governments. Specifically, the task force shall analyze business and economic sectors and segments having potential for higher levels of success, as well as other possible approaches to improve economic conditions. The task force shall also address workforce availability, including education and skills, related demographics, salary and wage scales, and other issues affecting human resources necessary for the promotion of economic development for this segment of South Dakota's population."*

Representative Haggar continued saying that the task force knew from the beginning that the economic challenges could not be solved in a few months, but that the journey of a thousand miles begins with one step. These meetings have been a process and the dialogue that has started will continue in some other form.

Task Force Review and Discussion

Uniform Commercial Codes (UCC) – Representative Haggar revisited the topic of the Uniform Commercial Code that has been discussed at each task force meeting. The UCC program is important to lenders as it is a safe way to secure personal property or lending assets. The Secretary of State's office works with the individual tribes in processing the UCC program. There is an agreement in place with the Oglala Sioux Tribe and with the Cheyenne River Sioux Tribe. The Sisseton Wahpeton Oyate, Rosebud Sioux Tribe, and the Standing Rock Sioux Tribe are all in negotiations with the Secretary of State's office regarding the UCC program. This is a service provided by the Secretary of State's office at no cost to the tribes.

Secretary Steve Emery, Department of Tribal Relations, said that this program is working well for the two tribes who have agreements in place. The number of lenders available on the Oglala Sioux Tribe reservation went from 11 to 42 once the UCC agreement was in place.

Representative Haggar said that these UCC agreements do not lead to any loss of sovereignty for the tribes and they make it much easier to do business in Indian country.

Process of encouraging economic development – Economic development offices of various types, including Community Development Financial Institutions (CDFI), can be found on several of the reservations.

Mr. Tuffy Lunderman, Rosebud Sioux Tribe, said that REDCO (Rosebud Economic Development Corporation) is in the process of reorganizing and has done a good job in economic development, especially in the area of agriculture.

Mr. Marc Benoist, Cheyenne River Sioux Tribe, said that the Four Bands Development Group has been very active. Mr. Benoist added that what hinders development on the reservations are education, infrastructure, capital, skilled workforce, current data, and politics. Each tribe is unique but all commonly struggle with economic development. The tribes need to develop different entities with different focuses. Focusing simply on building businesses does not work; the workforce needs to be taken into consideration and whether or not the tribal members are ready for that type of business. The basic necessities of the tribal members, taking care of the everyday needs of the people, are first priority.

Representative Haggar said that reliable data is vital to attracting economic development to any area and he challenged the Governor's Office of Economic Development and the Department of Tribal Relations to continue to gather current and accurate data that can be used by the tribes.

Dispute resolution – Representative Haggar pointed out that when it comes to economic development, it is important there be a process where all parties concerned know there is a system in place for settling disputes.

Representative Elizabeth May owns a store in Kyle and said that a big issue for her business is shoplifting. There is a serious meth problem on the reservation, and people steal to support their addiction. The shoplifting is on tape, and the offender is prosecuted, but the judges do not hand out

consequences to the guilty party. According to Representative May, this is becoming a huge problem and lenders take these losses into consideration.

Mr. Lunderman said that the Rosebud Tribe has a good court system but it is inadequately funded and understaffed. Civil actions can be taken by businesses but there is no enforcement arm of the court, so settlements cannot be collected.

Mr. Gordon Jones, Flandreau Santee Sioux Tribe, said that they resolve their disputes in court just as any other government, adding that there needs to be mutual respect between the governments.

Mr. Emery was at one time a tribal judge and commented that very few tribes have separation of powers and that the tribes may need to consider changing their constitutions so that the courts are a separate entity.

Mr. Benoist said that the issue with the tribal courts is the lack of funding and the fact that they are crippled by an every growing backlog.

Property rights – Representative Haggar said that a myth exists stating that lenders are apprehensive to provide loans for real estate development on the reservations. However, there are lenders willing to work with individuals and businesses regarding real estate development.

Senator Jim Bradford said that an issue on the Pine Ridge Reservation is that businesses hesitate to invest a lot of money developing a piece of land that they are only able to rent and added that not every reservation has the same type of land base. Pine Ridge does have food businesses, but is unable to attract larger businesses such as car dealerships or big box stores that could better help address the existing 70% unemployment rate.

Councilman Kenneth Weston, Flandreau Santee Sioux Tribe, had purchased a home that will be placed on trust land. Mr. Weston said that the tribe is working with First Lenders in purchasing Governor's Houses. The tribe's housing agency assists the members in purchasing the homes, the members can then take a year to get caught up on bills and get their credit in order, after which the home loan goes under the member's name. The loans are guaranteed by HUD and the interest rates are low. According to Mr. Weston, there is also a BIA loan program available for Native Americans.

Representative Haggar said that the existing belief that tribal members cannot get loans to purchase houses on tribal land is a myth that has been busted.

Representative Mike Verchio said that there is a belief that if a business opens on tribal land, they will only be allowed to stay there for a few years and then will be shut down by the Tribal Council. Representative Verchio said that if this belief is a myth, the word needs to get out so that businesses do not have to be afraid to open on tribal land.

Tribal Governments – Representative Haggar said that some people suggest that the amount of turnover within tribal governments causes instability and can make it difficult to work with the tribes. Representative Haggar pointed out that there is about a 33% turnover every two years within the state legislature, so the turnover rate does not just apply to tribal governments. Tribal governments operate under a rule of law, follow procedures, and are reliable. This is the message that people need to receive.

Representative Verchio commented that many such issues are based on perceptions and unless the perceptions change, people will continue to believe this. The tribal governments need to speak out and let people know that these perceptions and myths are unfounded.

Mr. Lunderman said that the way to remove the misconceptions and myths is through education. There should be legislation that outlaws mascots that are racist; Native Americans are not mascots. If schools wish to honor Native Americans, then teach about the treaties and the culture. Symbols are an issue and do lead to racism. Mr. Lunderman continued saying that South Dakotans have become numb to the racism; that there needs to be a commission in this state that addresses racism. In the schools, the Native American students learn about the non-Native ways, it is time all students learn about the ways of the Native Americans. After a year of the task force studying these issues, the trust has not been built. That trust can only be built through education. Mr. Lunderman concluded, saying, "We have to open the doors on our side and you have to open the doors on your side."

Mr. Jones said that he agrees that addressing these issues does start with education and education starts at home; racism is a taught behavior. The whole history, the entire story needs to be told; that is when the healing begins.

Intergovernmental Cooperation – Representative Haggar said that there should not be a state vs. tribe attitude; that we all need to work together. One example Representative Haggar gave is the Sisseton-Wahpeton Oyate successfully working with the Roberts County Commission on infrastructure including roads and bridges.

Mr. Mark DeVries said that when visiting one of the schools near Pine Ridge several years ago he had asked the students what one thing could be done to help them. One fifth grader responded saying, "gravel." Mr. DeVries remarked that studies continue regarding workforce and education, but roads have a major impact on everyone. Without good roads, people cannot get to school or to work. Improvements to infrastructure take the counties and the tribes working together, and if there is anything in statute that impedes them doing so, that impediment needs to be addressed.

Mr. Lunderman said that there are laws dealing with jurisdictions and if the focus could be removed from the boundaries, it would make it easier to work together.

Representative Haggar challenged the local governments to reach out to the tribes to work together on roads and bridges to insure that all people are able to get to school and work.

Representative May said that the counties have no money and the tribes have no money. The counties depend on property taxes and the federal government needs to send impact aid to cover the property taxes lost because the federal government does not pay property taxes on federal land; the federal government is not living up to its promises. Working together on roads is a good concept, but when neither entity has money, it cannot happen.

Secretary Emery said that there are areas where governments are working together, such as the law enforcement entities in and around the Oglala Sioux Reservation are collaborating in fighting drug use and other crimes. Secretary Emery said that the Department of Tribal Relations is available to assist all entities in finding ways to better work together.

Committee Discussion

Representative Verchio had discussed at previous meetings draft legislation that would legalize growing hemp in South Dakota. There are manufacturers in Colorado that import all their hemp from Canada. Representative Verchio said that not everyone wants to grow hemp but those who would like to produce hemp should be allowed to do so.

Representative Haggar said that there are complications and challenges with this proposal on the federal level.

Representative May said that there are many farmers in South Dakota who would like to grow hemp and this could be an important crop to many people on the reservations. By passing this draft legislation, the state would have an argument to use with the federal government on this issue.

Representative Haggar said that there is a piece of legislation that will be drafted that he would like to come from this task force. That legislation would create a full-time position with the Governor's Office of Economic Development (GOED) that would focus strictly on working with the tribes regarding economic development. This position would be responsible for helping the tribes develop an economic development office, communicating what opportunities are available for the tribes, and serve as a liaison between GOED and the tribes. Representative Verchio added that this person could also direct business inquiries to the proper contact on the reservations.

Representative May and Secretary Emery suggested that this position report to the State-Tribal Relations Committee at least on an annual basis. Representative May said that she does not want a position created that is not accountable to anyone.

A MOTION WAS MADE BY REPRESENTATIVE HAGGAR, SECONDED BY REPRESENTATIVE MAY, TO SUBMIT LEGISLATION ON BEHALF OF THE TRIBAL ECONOMIC DEVELOPMENT TASK FORCE THAT WILL CREATE A POSITION WITHIN THE GOED WHICH WILL FOCUS PRIMARILY ON TRIBAL ECONOMIC DEVELOPMENT. The motion prevailed on a roll call vote with 9 AYES and 0 NAYS. Those voting AYE: Bradford, May, Tyler, Verchio, DeVries, Emery, Jones, Lunderman, Haggar.

Representative Haggar thanked all the members and other participants who took the time to be a part of this task force and commented that this is just the beginning of good things to happen. This is a process and everyone must realize that when Indian country prospers our entire state will prosper.

Adjournment

A MOTION WAS MADE BY REPRESENTATIVE VERCHIO, SECONDED BY REPRESENTATIVE MAY, THAT THE TRIBAL ECONOMIC DEVELOPMENT TASK FORCE BE ADJOURNED. The motion prevailed unanimously on a voice vote.

The chair adjourned the meeting at 1:40 p.m.

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